

*BEST COPY
Available*

NSC BRIEFING

12 August 1954

INDOCHINA

I. Evident Viet Minh power increasing
in "retained-Vietnam."

A. Diem government's lack of
popular appeal indicated by
French report:

1. In one long-established
Saigon firm, all but 10 of
150 good-salaried employees
stated that, in elections,
would unhesitatingly vote
for "national hero" Ho.

B. Viet Minh not putting dependence
on such popularity alone; taking
direct action, forthright control.

1. Reportedly setting up shadow governments in southern villages; boasting "in Saigon in six months."

C. Diem trying to win support, but task almost insuperable:

1. Foreign minister trying gain aid of Cochinchina warlords, but they standing pat.
2. Nationalists want to dump Bao Dai, but Diem reluctant since might raise question his government's legitimacy.

D. French summary Diem's probable future: "courageous, virtuous and rapid collapse."

II. Increasing possibility French may be able continue "presence" in northern Vietnam, even under Viet Minh.

25X1

Approved For Release 2003/08/19 : CIA-RDP79R00890A000300050023-4

A. French businessmen in Tonkin
apparently confident they can
continue there.

25X1

Approved For Release 2003/08/19 : CIA-RDP79R00890A000300050023-4

25X1

25X1

Approved For Release 2003/08/19 : CIA-RDP79R00890A000300050023-4

Approved For Release 2003/08/19 : CIA-RDP79R00890A000300050023-4